



RUSHKA HEYMAN & DEWULF, PLC

PHOENIX, ARIZONA 85004-3906 TELEPHONE NO 602-256-6100 FACSIMILE 602-256-6800

ATTORNEYS AT LAW TWO ARIZONA CENTER 400 NORTH 5TH STREET

SUITE 1000

NEW APPLICATION



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AZ CORP COMMISSION DOCUMENT CONTROL

March 5, 2001

E-01025A-01-0200

Ms. Carmen Madrid Docket Control Arizona Corporation Commission 1200 West Washington Phoenix, AZ 85007

Dear Ms. Madrid:

Subject: Ajo Improvement Company's Proposed EPS Tariff

Enclosed for filing are the original and ten copies of Ajo Improvement Company's proposed Environmental Portfolio Surcharge tariff. Please contact me if you have any questions.

Sincerely.

Michael W. Patten Enclosure (1)

cc: Ms. Barbara Keene

Ajo Improvement Company New Cornelia Branch

P.O. Drawer 9 Ajo, AZ 85321 (520) 387-7451

APPLICABILITY

The Environmental Portfolio Surcharge (EPS) applies to all customers in the territory served by Ajo Improvement Company as mandated by the Arizona Corporation Commission.

SURCHARGE

The Environmental Portfolio Surcharge shall be applied to all monthly net bills at the following rates:

All kWh

\$0.000875 per kWh

SURCHARGE LIMITS

The monthly total Environmental Portfolio Surcharge shall not exceed the following limits:

Residential Customers \$0.35 per service

Non-Residential Customers \$13.00 per service

Non-Residential Customers with Demand of 3,000 kW or higher per

month for three consecutive months \$39.00 per service

The EPS will not be assessed to reactive meters or accumulators.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The Standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The customer's bill shall reflect this surcharge as a line entitled:

"Environmental Portfolio Surcharge, mandated by the Corporation Commission".